WAR FOOD ADMINISTRATION
Office of Distribution
Special Commodities Branch

THE MEXICAN BREWING INDUSTRY

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THE MEXICAN BREWING INDUSTRY

History of the Mexican Brewing Industry

The brewing industry in Mexico had its origin about the middle of the 19th century. The initial equipment was generally poor as was the quality of the materials used in making the beer. Malt was dried by spreading it out on the roof-top of the brewery. No mechanical methods of toasting were involved. The resulting product of the brewing operations was a heavy beer, dark brown in color.

Following completio of the first railroad lines in Mexico, a lager type of beer from the United States and from Europe appeared in Mexican markets. To compete with this higher quality imported product, Mexican breweries in the 1880's were obliged to change their plants and purchase new equipment. This resulted in production of a pale, lager type beer of much improved quality. As the quality of the domestic product improved, foreign beer ceased to be a serious competitor of the domestic product in Mexican markets. The popularity of the domestic beers has also been stimulated through production of specialty products such as the "Noche Buena," a beer darker than ordinary types, produced only during the Christmas holiday season by the Modelo brewery.

By the turn of the century, Mexican brewing was well established. At that time, there were some 20 breweries in operation. The largest of these was located at Toluca, capital of the state of Mexico. During the last decade of the 19th century, the brewing industry expanded rapidly. This upward trend was reversed during the revolutionary period of 1910-20. After civil strife had ended in 1920, the brewing industry resumed its upward trend and expanded its operations. The rate of increase in activity, however, was somewhat slower than during the earlier periods in the history of the industry.

Economic Position of the Brewing Industry

The brewing industry during the period under review, 1935-43, substantially improved its economic position and is now one of the leading manufacturing industries of Mexico. Official data for breweries having an annual business of 10,000 pesos ($2,058 at 1943 annual average rate of exchange) reflect the expansion of the industry. The annual average number of workers engaged in the brewing industry in 1943 showed an increase of 91 percent over the annual average number of workers in 1935. Salaries and wages paid by breweries in 1943 had gained by some 280 percent and the value of the products had risen by some 207 percent during the same respective years. In 1943, brewing ranked 8th among manufacturing industries in the number of workers employed, 5th in salaries and wages paid and 4th in the value of products. Data for 1943 and 1944 to date are still only preliminary and not quite complete but such data as are available suggest a continuation of the upward trend.

THE MEXICAN BREWING INDUSTRY

History of the Mexican Brewing Industry

The brewing industry in Mexico had its origin about the middle of the 19th century. The initial equipment was generally poor as was the quality of the materials used in making the beer. Malt was dried by spreading it out on the roof-top of the brewery. No mechanical methods of treating were involved. The resulting product of the brewing operations was a heavy beer, dark brown in color.

Following completion of the first railroad lines in Mexico, a lager type of beer from the United States and from Europe appeared in Mexican markets. To compete with this higher quality imported product, Mexican breweries in the 1920's were obliged to change their plants and equipment. This resulted in production of a mild, lager type beer of much improved quality. As the quality of the domestic product improved, foreign beer ceased to be a serious competitor of the domestic product in Mexican markets. The popularity of the domestic beer has also been stimulated through introduction of seasonally produced such as the "Doble Bock," a beer darker than ordinary brands, produced only during the Christmas holiday season by the Modelo brewery.

By the turn of the century, Mexican brewing was well established. At that time, there were 20 breweries in operation. The largest of these was located at Toluca, capital of the state of Mexico. During the last decade of the 19th century, the brewing industry expanded rapidly. This expansion was reversed during the revolutionary period of 1910-20. After civil strife had ended in 1920, the brewing industry resumed its upward trend and expanded its operations. The rate of increase in activity, however, was somewhat slower than during the earlier periods in the history of the industry.

Present Position of the Brewing Industry

The brewing industry during the period under review, 1935-42, substantially improved its economic position and is now one of the leading manufacturing industries of Mexico. Official data for breweries having an annual business of 10,000 pesos ($2,080 at 1942 annual average rate of exchange) reflect the expansion of the industry. The annual average number of workers employed in the brewing industry in 1942 showed an increase of 91 persons over the annual average number of workers in 1935. Salaries and wages paid by breweries in 1942 had gained by some 98% increase and the value of the resulting 1942 product by some 82% increase during the same respective years. In 1942, brewing workers 5th among manufacturing industries in the number of workers employed, 6th in salaries and wages paid and 6th in the value of products. Data for 1943 and later in date are still only preliminary and not quite accurate but such data as are available suggest a continuation of the upward trend.

Table 1.--Mexico: Brewing industry, establishmentss and related data, 1935-43

Year	Establishments	Workers	Salaries and wages	Value of primary materials used		Value of products
				Domestic	Foreign	
	Number	Number (Average)	1,000 U.S. dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars
1935	16	1,949	524	1,577	734	7,516
1936	15	2,237	756	1,465	567	10,945
1937	15	2,665	988	1,660	1,271	12,103
1938	15	2,965	1,139	1,599	932	11,147
1939	15	3,152	1,084	1,829	955	11,677
1940	15	3,329	1,146	1,980	1,166	13,278
1941	15	3,367	1,268	2,138	1,284	15,583
1942 1/	16	3,429	1,469	2,765	1,765	18,897
1943 1/ 2/	16	3,731	2,006	3/5,648		23,075

Secretaria de la Economica Nacional, Direccion General de Estadistica
Revista de Estadistica

Location and Distribution of Mexican Breweries

Approximately three-fourths of all the beer produced in Mexico is the product of three large brewing concerns and their subsidiaries. These factories are located in Monterey, Nuevo Leon; Orizaba, Veracruz; and in Mexico, D. F.

It is estimated that around 70 percent of the industry is under control of Mexican nationals with the remaining ownership distributed among foreigners including Spaniards, Americans, Germans and Italians.

1/ Preliminary data, subject to revision.
2/ Includes estimate for December 1943.
3/ Includes both domestic and foreign.

Table 1.--Mexico: Brewing industry, establishments and related data, 1938-43

Year	Establishments	Workers	Salaries	Materials used		Value of products
				Domestic	Foreign	
	Number	Number (average)	1,000 U.S. dollars	1,000 U.S. dollars	1,000 U.S. dollars	1,000 U.S. dollars
1938	20	1,948	861	1,077	784	7,616
1939	18	2,287	774	1,409	697	10,240
1940	15	2,658	798	1,668	1,271	12,103
1941	15	2,365	1,170	1,499	882	11,147
1942	15	2,152	1,084	1,455	988	11,677
1942	16	4,329	1,140	1,000	1,130	14,270
1943	16	4,347	1,285	2,141	1,864	15,288
1943 1/	16	4,429	1,189	2,768	1,780	16,497
1943 2/	16	4,722	2,000	3/ 4,818		23,070

Secretaría de la Economía Nacional, Dirección General de Estadística
Anuario de Estadística

Location and distribution of Mexican breweries

Approximately three-fourths of all the beer produced in Mexico is the product of three large brewing companies and their subsidiaries. These breweries are located in Monterrey, Nuevo Leon; Orizaba, Veracruz; and in Mexico, D. F.

It is estimated that around 10 percent of the industry is under control of American capitals with the remaining ownership distributed among Germans including Swedes, Austrians, Danes and Italians.

1/ Preliminary data, subject to revision.
2/ Includes estimate for December 1943.
3/ Includes both domestic and foreign.

Beer Production in Mexico

Beer production in Mexico during the period 1935-43 has reflected the expansion in the industry. Complete and final official data for the year 1943 and 1944 to date are not yet available. Such statistics as have been published suggest a continued upward trend in production. For the year 1943, the volume of beer produced was more than three times that of 1935 amounting to 303 percent of the 1935 output and showing a gain of 203 percent. The gain in value of production was even greater than in volume. The value of products of the brewing industry in 1943 was more than three times that of 1935, in terms of United States currency indicating a gain in value of some 237 percent.

Mexican Foreign Trade in Beer

Foreign trade in beer throughout most of the history of the Mexican brewing industry has been of minor significance. As previously noted, importations of beer ceased to be an important competitor of the domestic product in Mexican markets, following the improvement in methods of production which resulted in a higher quality of the domestic product during the latter part of the 19th century although some beer continued to be imported. A further factor in limiting imports has been the maintenance of a high protective tariff which as far back as 1890 has been an effective means of holding Mexican imports of beer to minimum levels. Imports of beer into Mexico in recent years have been in such small amounts as to have little bearing on the market situation.

Up to 1935, exports of Mexican beer to the United States were similarly retarded by a relatively high United States tariff. The reduction in the United States tariff to its present rate of 50 cents per U. S. gallon was an important factor in the shift of Mexico in the foreign trade in beer from a net import position to a net export position. Since 1935, Mexico has been consistently a net exporter of beer with the bulk of the export movement reportedly destined for the United States trade. While it is seldom possible to account precisely for the movement of a commodity in world trade, through comparison of official export data of one country with official import statistics of another, because of the lag in time required for the intransit movement, as well as because of the variations and lack of uniformity in classifying items of trade and in the methods employed in compiling data, it seems probable that some of the discrepancy between the official export data of Mexico and the official import statistics of the United States may be accounted for in diversion of shipments to other foreign destinations particularly to other American countries or the Caribbean areas. Imports of Mexican beer into the United States, however, have increased sufficiently that Mexican beer has been available in some of the large United States cities including New York and Chicago as well as in the more nearby areas of Texas, New Mexico and California where many Mexican nationals or naturalized Mexicans reside. While the United States has been the principal foreign market for Mexican beer, prior to the outbreak of the war, Mexican beer was exported to Cuba, certain Central American markets; also to some extent to Spain and France.

Beer Production in Mexico

Beer production in Mexico during the period 1924-40 has reflected the expansion in the industry. Complete and final statistics date for the year 1940 and 1941 so data are not yet available. Such statistics as have been published suggest a continued upward trend in production. For the year 1939, the value of beer produced was more than three times that of 1928 amounting to 208 percent of the 1924 output and showing a gain of 93 percent. The gain in value of production was even greater than in volume. The value of products of the brewing industry in 1939 was more than three times that of 1928, in terms of United States currency indicating a gain in value of 111 percent.

Modern Trends from Imports

Modern trade in beer throughout most of the history of the Mexican brewing industry has been of minor significance. As previously noted, importation of beer ceased to be an important consideration of the domestic product in Mexico merely. Following the improvement in methods of production which resulted in a higher quality of the domestic product during the latter part of the 19th century although some beer continued to be imported. A further factor in limiting imports has been the unfavorable of a high protective tariff which as far back as 1890 has been an effective means of holding Mexican imports of beer to minimum levels. Imports of beer into Mexico in recent years have been in small amounts as to have little bearing on the market situation.

By 1936, exports of Mexican beer to the United States were similarly restricted by a relatively high United States tariff. The reduction in the United States tariff to its present rate of 60 cents per U. S. gallon was an important factor in the shift of emphasis in the foreign trade in beer from a net import position to a net export position. Since 1936, exports have been consistently a net export of beer with the bulk of the export movement reportedly destined for the United States trade. While it is quite possible to account precisely for the movement of a commodity in world trade, through comparisons of official export data of one country with official import statistics of another, because of the lag in time required for the necessary movement, as well as because of the variations and lack of uniformity in classifying items of trade and in the methods employed in compiling data, it seems probable that some of the discrepancy between the official export data of Mexico and the official import statistics of the United States may be accounted for by importation of Mexican beer through United States ports particularly to other American countries or the Canadian areas. Imports of Mexican beer into the United States, however, have increased sufficiently that Mexican beer has been available in some of the large United States cities including New York and Chicago as well as in the more nearby areas of Texas, New Mexico and California where many Mexican patronize or restaurants Mexican cuisine. While the United States has been the principal foreign market for Mexican beer, prior to the outbreak of the war, Mexican beer was exported to Cuba, certain Central American countries; also in some extent to Asia and Europe.

Table 2.--Beer: Production, quantity and value, Mexico, 1935-43

Year	Quantity		
	In Barrels	In Bottles	Total
	1,000 gallons	1,000 gallons	1,000 gallons
1934	7,404	10,394	17,798
1935	6,852	14,948	21,800
1936	6,560	19,567	26,128
1937	6,822	25,095	31,917
1938	6,934	27,360	34,295
1939	7,316	35,076	42,392
1940	6,660	40,684	47,344
1941	6,769	41,738	48,507
1942 1/	7,148	50,902	58,049
1943 1/ 2/	6,532	59,518	66,050

Year	Value		
	Barrels	Bottles	Total
	1,000 U.S. dollars	1,000 U.S. dollars	1,000 U.S. dollars
1934	1,761	4,562	6,323
1935	1,191	6,324	7,516
1936	1,620	9,326	10,945
1937	1,650	10,452	12,102
1938	1,334	9,813	11,147
1939	1,323	10,355	11,677
1940	1,252	12,026	13,278
1941	1,408	14,175	15,583
1942 1/	1,533	17,364	18,897
1943 1/ 2/	1,704	23,606	25,310

Secretaria de la Economia Nacional, Direccion General de Estadistica, Revista de Estadistica

1/ Preliminary data, subject to revision
2/ Includes estimates for December 1943

Table 3.--Beer: Foreign trade, Mexico, 1934-43 1/

Year	Imports	
	Quantity	Value
	Gallons	U. S. Dollars
1934	5,357	2,945
1935	2,507	1,302
1936	2,959	1,643
1937	3,546	2,554
1938	3,199	1,766
1939	2,999	1,365
1940	433	352
1941	102	50
1942	2/	
1943	2/	

Year	Exports	
	Quantity	Value
	Gallons	U.S. Dollars
1934	4,024	1,758
1935	8,358	3,487
1936	3,901	1,460
1937	136,066	52,299
1938	204,502	76,517
1939	260,985	88,745
1940	399,386	134,289
1941	576,728	173,373
1942	1,673,553	453,159
1943	4,220,737	1,500,551

Secretaria de la Economia Nacional, Direccion General de Estadistica, Anuario Estadistico del Comercio Exterior de los Estados Unidos Mexicanos.

1/ Converted on the basis of cases of 12 ounce bottles at 42 pounds gross weight per case.

2/ No data yet available.

Table 3.--Sugar: Foreign trade, Spain, 1924-48 1/

Year	Imports		Exports	
	Quantity	Value	Quantity	Value
	Metric tons	U. S. dollars	Metric tons	U. S. dollars
1924	6,847	2,941	2,624	1,726
1925	2,307	1,209	1,345	1,487
1926	2,705	1,243	2,945	1,400
1927	3,340	2,914	324,025	83,257
1928	3,197	1,761	204,102	70,017
1929	2,229	1,215	264,985	91,715
1930	454	240	314,386	124,390
1931	1,[illegible]	60	275,705	119,173
1932	[illegible]		1,[illegible]	453,720
1933	[illegible]		1,[illegible]	1,600,351

Compiled in the Foreign Agricultural Service, Division Mission de Estadística, Ministerio Industrias del Comercio, Madrid, Spain.

1/ Conversion is on basis of 1 kilo of 12 cuna bottles at 15 pesetas per dollar, which was the rate of exchange.

2/ No data for exports.

Consumption of Beer in Mexico

During the early years of the Mexican brewing industry, consumption of beer in Mexico was adversely influenced by the generally wide-spread use, particularly in southern Mexico, of another locally produced and much cheaper fermented beverage known as "pulque." This beverage is prepared by spontaneous fermentation from the juice of the agave (American aloe, known also in Mexico as maguey). It is ready for consumption 24 hours after fermentation begins, and contains about 6 percent alcohol. This alcoholic content is not sufficiently high to prevent rapid spoilage and the product is highly perishable. For centuries, this drink has been the universal beverage of the masses of people of southern Mexico. It is an extremely potent and low-priced beverage. Traditionally, the Mexican people have congregated in the "pulquerias," the taverns where this drink is sold, and which have been and to some extent continue to be, highly profitable establishments.

In recent years with the expansion of the brewing industries, various members of the industry have carried on extremely effective and extensive promotional campaigns for increasing beer consumption. Some of these campaigns have taken the form of prizes ranging at the equivalent of from 10 cents to 10 dollars, United States currency. In some cases, these campaigns have reached extraordinary proportions. One Mexican firm arranged a lottery in which the prize was an apartment house in Mexico City valued at the equivalent of some 20,000 dollars, United States currency. Participation in this lottery was based upon the surrender of 25 crowns from beer bottles containing beer made by the company which arranged the lottery. Other firms also carried on similar promotional campaigns to increase consumption of their products. The smaller prizes were obtained by placing rings bearing numbers around the beer bottles with the numbers drawn entitling the holder of the number drawn to one of the prizes. These lotteries and promotional campaigns were widely publicized over radio broadcast programs and otherwise and were extremely effective in increasing the popularity of beer for beverage purposes.

The Mexican government is reported to have favored increased consumption of beer as a substitute for pulque because of the intoxicating qualities of pulque and in the interest of public health. The success of the governmental policy and the promotional activities of the industries is apparent in the marked increase in the per capita consumption of beer which on the basis of preliminary data for 1943 was nearly 4 times that of 1932. As most of the beer produced is consumed locally, the gain in per capita consumption has been an important element in the expansion of the industry.

Consumption of Beer in India

During the early years of the modern brewing industry, consumption of beer in India was severely limited by the generally alcohol-averse nature, particularly in southern India, of Indian locally produced and mass-produced imported beverage known as "pulque." This beverage is prepared by spontaneous fermentation from the juice of the agave (American aloe, known also in Mexico as maguey). It is ready for consumption 24 hours after fermentation begins, and contains about 6 percent alcohol. This alcoholic content is not sufficiently high to produce rapid coagulation and the product is highly perishable. For centuries, this drink has been the universal beverage of the masses of people of southern Mexico. It is an extremely potent and inexpensive beverage. Traditionally, the Spanish people have imported in the "pulquerias," the taverns where this drink is sold, and which have been and in some extent continue to be, highly profitable establishments.

In recent years with the expansion of the brewing industry, various members of the industry have carried on extensively effective and extensive promotional campaigns for increasing beer consumption. Some of these campaigns have taken the form of prizes ranging in the equivalent of from 10 million, dollars apiece outright. In some cases, these campaigns have resulted satisfactorily promotions. The Bottler has arranged a lottery in which the prize was an automobile worth in Mexico City valued at the equivalent of some $3,000 dollars, United States currency. Participation in this lottery was based upon the surrender of 12 crowns from beer bottles containing beer made by the company which arranged the lottery. Other firms also carried on similar promotional campaigns in increase consumption of their products. The smaller prizes were obtained by placing three hearts or numbers around the beer bottles which the members drew upon filling the holder of the bottom drawn in one of the prizes. These lotteries and promotional campaigns were widely publicized over radio broadcast programs and elsewhere and were extremely effective in increasing the popularity of beer for favorite purposes.

The author recommends in supporting an even further increased consumption of beer as a substitute for Indian Samaras of the intoxicating qualities of pulque and in the interest of public health. The success of the governmental policy and the commercial activities of the industries in expansion in the market interest in the regular consumption of beer is on the basis of contributing more for that has merely a human that of 1951. As each of the beer products is produced locally, the gain in our capital accumulation has been an important element in the economics of the industry.

Table 4.--Beer: Apparent consumption in Mexico, 1932-43

Year	Total quantity consumed		Per capita consumption	
	1,000 liters	1,000 gallons	liters	gallons
1932	42,131	11,131	2.4	.63
1933	53,356	14,097	3.0	.79
1934	67,787	17,909	3.5	.92
1935	81,957	21,653	4.4	1.16
1936	99,496	26,284	5.3	1.40
1937	122,770	32,436	6.4	1.69
1938	137,625	36,361	7.1	1.88
1939	160,641	42,441	8.0	2.11
1940	176,938	46,747	9.1	2.40
1941 1/	183,894	48,585	9.1	2.40
1942 1/	190,043	50,209	9.2	2.43
1943 1/	196,726	51,975	9.3	2.46

Secretaria de la Economia Nacional, Direccion General de Estadistica, Anuario Estadistico de los Estados Unidos Mexicanos, 1939 and 1940

Rail Freight Tonnage and Freight Revenue

Among the allied industries benefiting directly or indirectly from the expansion of the brewing industry are the important transportation agencies. Definite statistics are not available for the entire quantities of brewery products moved over the various transportation facilities, but undoubtedly the movement of the various raw materials required in the manufacturing of beer as well as of the finished products from the points of production to final destination afford substantial revenues to the transportation agencies.

Some indication of the influence of the brewing industry on the railway traffic is shown in the official statistics of the volume of beer carried on the principal Mexican railroads, ton-miles of freight and total freight paid for the years 1937-43. No official data are available as to the truck movement or to the waterborne freight but it appears likely that these agencies have shared with the railroads in the increased business resulting from expansion of brewing operations.

1/ Preliminary estimates subject to revision.

Table 4.--Sugar: Apparent consumption in Mexico, 1934-42

Year	Total quantity consumed		Per capita consumption	
	1,000 liters	1,000 gallons	Liters	Gallons
1934	45,755	11,141	2.4	.62
1935	52,[illegible]	13,027	2.7	.71
1936	47,[illegible]	12,[illegible]	2.3	.61
1937	81,[illegible]	21,[illegible]	4.4	1.15
1938	99,[illegible]	26,[illegible]	5.3	1.40
1939	110,770	29,[illegible]	5.8	1.53
1940	137,[illegible]	36,[illegible]	7.1	1.88
1941	110,[illegible]	29,[illegible]	5.6	1.48
1942	176,[illegible]	46,[illegible]	9.1	2.40
1943 1/	103,[illegible]	27,[illegible]	5.1	2.40
1944 1/	100,[illegible]	26,[illegible]	5.3	2.42
1945 1/	136,[illegible]	35,[illegible]	7.0	2.46

Adaptada de la Memoria Estadística, Industria Azucarera de Jalisco, Industria Salubrista de los Estados Unidos Mexicanos, 1939 and 1940

Rail freight figures and traffic trends

Among the allied industries benefiting directly or indirectly from the expansion of the livestock industry are the important transportation services. Detailed statistics are not available for the entire quantities of livestock products moved over the various transportation facilities, but considerably the movements of dry or fresh raw materials required in the manufacturing of hides as well as of the finished products from the factory or slaughter to final destination afford substantial revenues to the transportation companies.

Some indications of the influence of the livestock industry on the railway traffic is shown in the official statistics of the tonnage of beef carried on the principal Mexican railroads, tonnages of traffic and total freight yield for the year 1937-43. No official data are available as to the livestock tonnage or to the motor-vehicle freight but it appears likely that some agencies have dealt with the railroads in the transported livestock resulting from expansion of livestock operations.

1/ Preliminary estimate subject to revision.

Table 5.--Beer: Quantity transported by rail, ton-miles of freight, and freight paid, 1937-43

Year	Total volume carried	Ton-miles of freight	Freight paid
	Short tons	1,000 ton-miles	1,000 U. S. dollars
1937	135,153	49,637	657
1938	144,194	49,626	529
1939	164,408	55,654	516
1940	183,288	66,559	573
1941	159,565	65,850	619
1942	196,230	75,645	744
1943 1/	249,988	97,405	1,006

Secretaria de la Economia Nacional, Direccion General de Estadistica, Revista de Estadistica.

Principal Raw Materials Used in Beer Production, 1935-43

Barley or barley malt, rice and hops comprise the principal raw materials utilized in production of beer. The expansion of the brewing industry has afforded an increasingly important market outlet for the locally grown crops of rice and barley. The country is practically self-sufficient in the matter of rice which represents nearly one-fourth of the total volume of materials used in production of beer.

The country still remains on a net import basis in the matter of production of malting barley and barley malt despite the increase in production of malting barley which has occurred and the increased quantity of domestic barley used in the manufacture of beer.

No hops are produced locally so all of the requirements of hops for the brewing industry are imported. In addition to the designated principal raw materials, sizable quantities of certain other ingredients are required in the manufacture of beer. These include, sugar, "maimilo," corn meal, a small quantity of barley and coloring matter.

1/ January-November

Table 4.--Beer: Quantity transported by rail, ton-miles of freight, and freight rate, 1937-42

Year	Total revenue freight carried	Ton-miles of freight	Freight rate
	Short tons	1,000 ton-miles	1,000 r. f. dollars
1937	138,123	42,027	657
1938	144,174	44,046	693
1939	164,408	51,064	819
1940	155,586	[illegible]	877
1941	190,888	65,860	819
1942	190,000	74,[illegible]	744
1943 1/	[illegible]	97,[illegible]	1,007

Source: Bureau de la economia nacional, Direccion general de estadisticas, Servicio de Ferrocarriles.

Principal Beer Materials Used in Beer Production, 1935-42

Barley or barley malt, rice and corn constitute the principal raw materials utilized in production of beer. The expansion of the brewing industry has affected an increasingly important market outlet for the locally grown crops of rice and barley. The country is practically self-sufficient in the matter of rice since rice represents nearly one-fourth of the total volume of materials used in production of beer.

The country still remains on a net import basis in the matter of production of malting barley and barley malt despite the increase in production of malting barley which has occurred and the increased quantity of domestic barley used in the manufacture of beer.

Beers are produced locally as all or the requirements of rice for the brewed industry are satisfied. In addition to the designated principal raw materials, locally available quantities of various other ingredients are required in the manufacture of beer. These include, sugar, "malting" corn meal, a small quantity of barley and colorific water.

1/ January-November.

Designated Raw Materials, Imports

Despite the large proportion of raw materials used in the brewing industry which can be supplied from local production, the industry still remains to a considerable degree dependent upon imports of certain commodities. Fairly sizable quantities of malt and malting barley continue to be imported each year. Formerly, the United States supplied most of the malting barley imported. In more recent years, increasing quantities of barley malt and malting barley have been imported from Canada. In value, malting barley and barley malt exceed any other commodity used in the brewing industry.

Hops rank next to barley malt and malting barley both in volume and value among imp rted materials used in brewing. The volume of hops imported annually has shown considerable variation from one year to another during the period under review (1935-43). These variations may be partially explained by fluctuations in market prices, relative scarcity or abundance of market offerings and changes in the volume of carryover holdings from one season to another. The steady upward trend in the output of the principal brewery products which would suggest a corresponding upward trend in the quantity of raw materials used indicates a tendency on the part of dealers to accumulate increased stocks of hops during periods when market conditions favor heavy buying.

While Mexican brewing interests displayed a marked preference for German and Czechoslovakian hops prior to the outbreak of the present war, Mexico has been for many years an important customer for American hops. This situation has been in contrast with the situation existing in certain other South American countries where brewing interests purchased exclusively European hops when supplies were available. The outbreak of the current hostilities in Europe have been an important factor in stimulating the United States export trade in hops which in 1940 reached the record figure of more than 10,000,000 pounds. Another factor was the improvement in the quality of the United States offerings which ~~in quality~~ now compares favorably with the best European offerings. Mexico has continued to be an important customer for United States hops with exports of hops from the United States to Mexico in 1941 amounting to 1,347,000 pounds or 14 percent of the total United States exports, and 1,578,000 pounds in 1942 or 16 percent of the United States total.

Indicated Raw Materials Imports

Despite the large proportion of raw materials used in the farming industry which can be supplied from local resources, the industry still remains to a considerable degree dependent upon imports of certain commodities. Fairly steady conditions of rail and shipping services to be imported such rate. Formerly, the United States supplied most of the cotton being imported. In more recent years, increasing quantities of barley meal and cotton seed have been imported from Canada. In value, cotton, cotton seed and barley meal account for other commodity used in the British industry.

Imports from Canada of barley meal and cotton seed in volume and value show very wide variations in trading. The volume of these imports annually has shown considerable variation from one year to another during the period under review (1945-48). These variations may be partially explained by fluctuations in market prices, relative availability or shortage of certain substitutes and changes in the volume of concentrated feedings fed on farms to animals. The steady upward trend in the output of the principal farmyard products which accounted a corresponding upward trend in the quantity of raw materials used indicates a tendency on the part of farmers to an increasing proportion of more farming operations when market conditions have been favorable.

While American farming interests displayed a strong preference for corn and "soybeans" when prior to the outbreak of the war, Canada has been for many years an important supplier of barley. This situation has been in evidence with the accompanying expanding in growth when British farmers commence using barley in preference to other feedstuffs. The greater proportionately European hogs were supplied have availability. The [illegible] of barley meal imports in large quantities in the [illegible] of the United States in 1947 reached 10,000,000 pounds. In 1948 imports fell to 1,000,000 pounds. The United States is the chief supplier of cotton seed to Canada. Imports from the United States have ranged from 1,000,000 pounds in 1945 to 1,000,000 pounds in 1948. Imports from Canada have ranged from 1,000,000 pounds in 1945 to 1,000,000 pounds in 1948.

Table 6.--Raw Materials consumed: Mexican brewing industry, designated commodities, 1935-42

Year	Quantity						
	Malt			Rice			Hops
	Domestic	Foreign	Total	Domestic	Foreign	Total	Foreign
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1935	18,644	4,989	23,633	11,206	-	11,206	505
1936	25,558	3,750	29,308	14,242	-	14,242	589
1937	25,997	11,528	37,525	18,951	-	18,951	778
1938	30,505	8,785	39,290	18,803	313	19,116	809
1939	37,000	8,955	45,955	19,182	1,986	21,168	922
1940	40,020	10,803	50,823	23,197	7	23,206	1,019
1941	40,340	12,138	52,478	23,695	90	23,785	1,008
1942	45,230	15,348	60,578	24,281	-	24,281	1,265

Year	Value						
	Malt			Rice			Hops
	Domestic	Foreign	Total	Domestic	Foreign	Total	Foreign
	1,000 US dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars
1935	962	362	1,324	223	-	223	349
1936	1,182	265	1,447	283	-	283	302
1937	1,277	866	2,143	383	-	383	405
1938	1,227	584	1,811	369	7	376	341
1939	1,314	491	1,805	451	46	497	418
1940	1,393	589	1,982	504	-	504	575
1941	1,496	669	2,165	560	3	563	612
1942	1,880	984	2,864	654	-	654	766

Secretaria de la Economia Nacional, Direccion General de Estadistica Revista de Estadistica.

Table 6.--New Zealand's exports: Dairies trading industry, designated commodities, 1965-72

Year	Butter				Cheese			
	Unsalted	Salted	Total	Tonnage	Unsalted	Salted	Total	Tonnage
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1964	18,244	4,240	22,484	11,840	-	11,320	606	
1965	36,158	5,740	41,898	14,342	-	14,342	580	
1966	41,287	11,583	52,870	18,621	-	18,621	778	
1967	20,402	9,798	30,200	12,906	513	13,419	908	
1968	37,600	8,844	46,850	16,143	1,966	22,152	922	
1969	16,060	10,304	26,958	20,127	7	28,200	1,013	
1970	40,840	12,138	52,978	23,652	90	23,742	1,000	
1971	41,240	14,346	55,576	24,281	-	24,281	1,246	

Year	Butter				Cheese			
	Unsalted	Salted	Total	Tonnage	Unsalted	Salted	Total	Tonnage
	1,000 US dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars	1,000 US dollars
1969	942	240	1,184	422	-	422	449	
1970	1,120	326	1,447	540	-	542	450	
1971	1,177	365	1,542	541	-	541	406	
1972	1,127	346	1,473	286	7	273	301	
1973	1,324	444	1,8[illegible]	402	49	407	434	
1974	1,423	639	2,062	504	-	504	479	
1975	1,490	695	2,186	440	3	443	414	
1976	1,8[illegible]	598	2,8[illegible]	534	-	534	464	

Secretaría de la Junta Nacional, Dirección General de Estadística Agrícola de Estadística.

Table 7.--Brewing industry, raw materials: Imports, designated commodities, Mexico, 1935-42

Year	Quantity			Value		
	Barley	Malt	Hops	Barley	Malt	Hops
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 US dollars	1,000 US dollars	1,000 US dollars
1935	14,929	4,946	587	324	213	298
1936	17,399	4,424	664	308	180	273
1937	10,127	12,827	847	282	654	373
1938	12,110	9,067	1,258	237	360	437
1939	13,676	8,575	874	258	304	382
1940	15,592	10,681	908	294	355	525
1941	27,704	13,197	1,299	569	421	655
1942	23,027	15,716	1,298	548	626	739

Secretaria de la Economia Nacional, Direccion General de Estadistica, Estadistica del Comercio Exterior

Supply and Disposition, and Related Data, Malting Barley

Requirements of malting barley for the Mexican brewing industry during recent years have been in excess of 33,000 tons (66,138,000 pounds) annually, for use in the breweries having an annual business in excess of 10,000 pesos ($2,058.00 U.S. currency at 1943 annual average rate of exchange). While these data are incomplete they represent the major portion of the industry. Trade advices indicate that malt consumption by firms having an annual business of less than 10,000 pesos would be less than 8,300 tons.

A report from the United States Agricultural Attache in Mexico City as of October 1942 indicated that one of the largest factories in Mexico, located in the Federal District, was expanding its plant facilities and expected to double its output of 11,000 tons during 1943. This one factory was reported to have supplied roughly around two-thirds of the raw materials used in the brewing industry.

The following tables 8, 9 and 10 show the supply and disposition of malting barley in Mexico, receipts of barley at malting factories, and the quantity of barley used and malt produced in Mexican malting establishments in Mexico:

Table 7.--Brewing industry, raw materials: Imports, designated commodities, Mexico, 1938-41

Year	Barley	Hops	Malt	Rice
	Quantity			Value
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 Mex. dollars
1938	14,329	647	424	213	186
1939	17,364	4,474	644	320	180	273
1940	10,127	12,427	847	532	473	373
1941	12,110	9,067	1,252	277	320	457
1942	16,272	8,218	974	260	401	383
1940	12,202	10,981	908	234	306	321
1941	17,104	13,197	1,328	321	421	688
1942	21,027	16,716	1,158	440	826	724

Secretaría de la Economía Nacional, Tresoria General de Estadística, Estadística del Comercio Exterior.

Supply and Disposition, and Related Data, Malting Barley

Requirements of malting barley for the Mexican brewing industry during recent years have been in excess of 35,000 tons (35,136,000 pesos) annually, for use in the breweries having an annual business in excess of 10,000 pesos (50,000.00 U.S. currency at 1941 annual average rate of exchange). While these data are incomplete they represent the major portion of the industry. Trade sources indicate that such consumption by firms having an annual business of less than 10,000 pesos could be less than 2,500 tons.

A report from the United States Agricultural Attaché in Mexico City as of October 1942 indicated that one of the largest factories in Mexico, located in the Federal District, was expanding its plant facilities, and expected to double the output of 11,000 tons during 1943. This one factory was reported to have contracted recently around two-thirds of the raw materials used in the brewing industry.

The following tables 6, 7 and 10 show the supply and disposition of malting barley in Mexico, provides a survey of malting factories, and the quantity of barley used and malt produced in Mexican malting establishments in recent years.

Table 8.--Malting Barley: Supply and disposition of barley for production of barley malt, Mexico, 1936-42

Item	Years						
	1936	1937	1938	1939	1940	1941	1942
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Supply							
Stocks, January 1, in factories, malting and feed barley	1,947	3,944	17,057	13,902	7,423	15,254	4,147
Production, malting barley previous harvest	25,108	27,440	22,275	21,314	15,531	19,879	46,385
Barley, imported and received in malt factories	11,739	9,826	15,302	14,621	33,378	32,410	35,582
Native barley, received in factories for malting	3,078	9,974	7,919	12,998	10,276	8,831	12,229
Total supply	41,872	51,184	62,553	62,835	66,608	76,374	98,343
Disposition							
Seeding requirements, at 44.6 pounds per acre	1,431	1,208	1,149	802	1,005	2,315	1,898
Consumption of malting and feed barley in malting factories Jan. 1 - Dec. 31	36,294	28,333	47,502	54,575	50,305	69,771	68,479
Export of malting barley	203	4,586	--	35	44	141	8,448
Stocks in factories, malting and feed, December 31	3,944	17,057	13,902	7,423	15,254	4,147	19,518
Total disposition	41,872	51,184	62,553	62,835	66,608	76,374	98,343

Secretaria de Agricultura y Fomento, Direccion de Economia Rural, Agricultura y Fomento, Boletin Mensual, No. 211, Dec. 1943, p. 1209

Table 4.—Malaria survey: Supply and disposition of barley for production of barley malt, Madrid, 1936-42

Item	Year						
	1936	1937	1938	1939	1940	1941	1942
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Supply							
Stocks, January 1, in breweries, malsters and feed yards	1,047	3,044	17,000	16,800	7,424	13,804	4,147
Production, malting barley							
previous harvest	25,120	27,040	22,474	21,314	18,581	19,075	46,486
Barley, imported and received in malt factories	11,758	5,826	12,808	14,641	22,474	23,410	74,062
Barley purchased in Spanish Protectorate for malting	3,071	9,974	7,420	11,058	10,174	4,821	12,230
Total supply	41,476	45,184	59,102	63,858	58,604	71,314	94,925
Disposition:							
Malting requirements, at 1,4.4 pounds per bushel	1,841	1,209	3,148	400	1,000	1,414	1,088
Consumption of malting and feed barley in malting factories Jan. 1 - Dec. 31	34,524	29,233	47,001	14,434	30,104	16,771	44,470
Export of malting barley	308	4,812	—	36	44	121	2,849
Stocks in breweries, malting and feed, December 31	4,764	11,127	12,903	7,423	12,384	4,147	10,618
Total disposition	41,475	45,184	63,052	22,293	43,532	22,453	59,025

Secretaría de Agricultura y Ganadería, Dirección de Economía Rural, Agricultura y Ganadería, Estadística Mensual, no. 111, Dec. 1942, p. 1202.

Table 9.--Barley receipts: At malting factories, Mexico, 1936-42

Year	Domestic Barley			Foreign barley, brewing and other	Total domestic and foreign
	Brewing	Other	Total		
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
1936	23,474	3,078	26,552	11,740	38,292
1937	21,644	9,976	31,620	9,826	41,446
1938	21,127	7,919	29,046	15,302	44,348
1939	20,477	12,998	33,475	14,621	48,096
1940	14,482	10,276	24,758	33,377	58,135
1941	17,421	8,831	26,252	32,410	58,662
1942	36,039	12,229	48,268	35,582	83,850

Secretaria de Agricultura y Fomento, Direccion de Economia Rural, Boletin Mensual de la Direccion de Economia Rural

Table 10.-- Barley used in malting establishments and malt produced, Mexico, 1935-43

Year	Stocks Jan. 1	Receipts (dom. & for.)	Total available	Quantity used	Stocks Dec. 31	Malt produced
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1935					1,946	
1936	1,946	38,292	40,238	36,294	3,944	25,406
1937	3,944	41,447	45,391	28,334	17,057	19,833
1938	17,057	44,348	61,405	47,503	13,902	33,252
1939	13,902	48,096	61,998	54,575	7,423	38,001
1940	7,423	58,135	65,558	50,304	15,254	35,214
1941	15,254	58,664	73,918	69,771	4,147	48,841
1942	4,147	83,850	87,997	68,479	19,518	47,935
1943	19,518					

Secretaria de Agricultura y Fomento, Direccion de Economia Rural, Boletin Mensual de la Direccion de Economia Rural

Table 9.--Barley receipts in milling industry, series, 1940-42

Year	Domestic barley			Imported barley	Total domestic and imported
	Grower	Other	Total		
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
1940	53,475	3,075	56,552	11,740	58,292
1941	61,744	3,974	65,650	5,786	61,446
1942	51,127	7,319	58,446	15,702	44,348
1943	50,477	15,518	65,477	14,631	44,056
1940	14,302	10,376	24,678	58,677	83,175
1941	17,621	8,931	26,552	22,410	68,062
1942	34,038	12,529	46,567	38,382	85,940

Secretaría de Agricultura y Fomento, Dirección de Economía Rural, Estadística Nacional de la Producción de Granos. Total

Table 10.-- Barley used in milling establishments and malt produced, Mexico, 1938-42

Year	Domestic (beer) type (dec. 1 (dec. 1 Por.)		Total available	Quantity used	Malt produced
	1,000 pesos	1,000 pesos	1,000 pesos	1,000 pesos	1,000 pesos
1938				1,998	
1939	1,946	55,245	46,291	5,994	24,40
1937	7,944	61,447	65,391	17,657	19,933
1938	17,057	64,340	81,108	19,502	55,212
1939	15,405	85,000	81,055	7,423	55,003
1940	7,151	85,155	85,304	15,184	55,214
1941	15,085	55,164	70,219	4,147	48,641
1942	4,147	55,400	67,557	15,115	47,855
1943	13,015				

Secretaría de Agricultura y Fomento, Dirección de Economía Rural, Estadística Nacional de la Producción de Granos Rural

Barley Production, Mexico

Barley has never been a leading crop in Mexico although it has increased in importance as a result of the expansion of the brewing industry and also because of its use as a feed crop for the expanding livestock industry.

A series of relatively favorable crop years, 1939-42, resulted in substantial gains in outturns over those of the preceding five years. The largest harvest occurred in 1940 when the outturn amounted to 288 million pounds. The average for the four-year period 1939-42 was 208 million pounds as compared with an average of 160 million pounds for the 4-year period 1935-38.

Of the total production more than 90 percent is utilized as feed for livestock. The remaining 10 percent is chiefly utilized in the brewing industry. The greatest feed barley producing area is located in the central portion of the country, and is centered largely in the states of Hidalgo, Puebla, Mexico, and Tlaxcala. Two other important producing areas are Nuevo Leon, in the northeast, bordering on Texas, and Veracruz on the Gulf side. Barley harvested in these groups of states makes up roughly 90 percent of the total production in Mexico. During the last 10 years the barley crop has increased by some 60 million pounds. For the same period, the yield per acre has risen by 160 pounds per acre.

The largest single producing area for malting barley is Lower California, which provides ~~for~~ over half of the total production of the country. In 1942, Lower California produced 11,000 tons of malting barley out of a total for all the United States of Mexico of 18,500 tons. This section is followed by Nuevo Leon which produced 2,230 short tons in 1942 and Coahuila with a crop of 2,075 short tons. These three states alone account for more than three-fourths of the Mexican harvest of brewing barley. As a result of the favorable crop years and also perhaps to some extent to improved agricultural practises production of malting barley has about doubled.

Table 11.--Barley: Mexico, area, production, value, 1935-42

Year	Area	Yield per acre	Production	Farm price	Value
	Acre	pounds	1,000 lbs.	Dollars per 100 lbs.	U.S. dollars
1935	350,249	477	167,100	.76	1,249,389
1936	343,546	474	162,693	.76	1,255,761
1937	340,998	459	156,280	1.01	1,587,491
1938	356,642	431	153,561	.90	1,375,050
1939	342,871	581	199,212	.70	1,322,852
1940	328,332	694	227,973	.59	1,408,509
1941	363,667	562	204,291	.78	1,599,613
1942	355,650	584	201,430	.92	

Secretaria de Agricultura y Fomento, Direccion de Economia Rural, Boletin Mensual de la Direccion de Economia Rural.

Varied production, varied

Barley has never been a leading crop in Jordan although it has increased in importance as a result of the expansion of the brewing industry and also because of its use as a feed crop, for the growing livestock industry.

Yields of relatively fodder-type barley, 1974-82, resulted in production gains in excess over those of the preceding five years. The largest increase occurred in 1979 when the volume doubled to 980 million pounds. The average for the four-year period 1978-81 was 525 million pounds as compared with an average of 160 million pounds for the 4-year period 1974-77.

If the best producing zone (see 5) present is utilized as feed for livestock, the resulting 30 percent is clearly utilized in the grazing industry. The greatest feed barley production area is located in the central portion of the country, and is another target in the fields of wheat, barley, and fibrous. The other important producing areas are here here, in the Jordan Valley, northern as Tabar, and Hawran in the Qatt area. Using irrigated in these areas of about acres is roughly 15 percent of the total production in Jordan. During the last 10 years the barley production has increased by about 15 million pounds. For the same period, the yield per acre has risen by 150 pounds per acre.

The largest single production area for milling barley is Lower California, which provides 5% over half of the total production of the country. In 1982, Lower California produced 1,000 tons of milling barley out of a total for all the United States of more of 12,000 tons. This leading is followed by Iowa land which produced 2,500 short tons in 1982 and Oklahoma with a crop of 1,070 short tons. These three states alone account for more than three-fourths of the malting barley of barley. As a result of the favorable crop years and also perhaps to some extent to increased agricultural activity (production of malting barley) the stock leading.

Table 1.--Barley: Acreage, area, production, value, 1980-82

Year	Area	Yield per area harvested	Production	Farm price	Value
	Acres	Pounds	1,000 lbs.	Dollars per 100 lbs.	Dollars
1974	480,240	477	107,100	.76	1,364,384
1975	540,140	474	104,204	.79	1,316,703
1976	620,460	460	128,360	1.01	3,277,401
1977	530,010	461	123,341	.90	1,275,000
1978	524,111	501	126,314	.70	1,013,400
1979	520,111	504	237,116	.65	1,704,000
1980	540,107	563	304,401	.75	1,587,412
1981	560,434	584	321,470	.67	

Averages in Agricultural Statistics, Ministry of Economic Affairs, Amman Amman to 1 Dirham to Jordanian Dinar.

Table 12.--Brewing barley: Mexico, area, production, value 1935-42

Year	Area	Yield per acre	Production	Farm price	Value
	Acre	Pounds	1,000 pounds	Dollars per 100 lbs.	U. S. dollars
1935	30,396	826	25,108	1.01	243,396
1936	32,088	856	27,441	1.01	285,654
1937	27,092	823	22,275	1.26	274,152
1938	25,735	828	21,314	1.00	211,152
1939	17,984	864	15,531	.86	131,445
1940	22,553	881	19,879	.76	157,234
1941	51,908	894	46,385	.84	402.227
1942	41,407	907	37,560		

Secretaria de Agricultura y Fomento, Direccion de Economia Rural, Boletin Mensual de la Direccion de Economia Rural

Beer Prices in Mexico

Unit values of beer at Mexican factories have shown an upward trend during the period under review. In Mexican currency, the price per liter of beer in barrels held steady to higher during the years 1935-43. Conversions of these values to United States equivalents show some variations due to the depreciation of the Mexican pesos in terms of United States currency, particularly for the years 1938 and 1939. From the low point of exchange value reached in 1939 prices in United States currency tended upward.

Prices per liter in bottles in both Mexican and United States currency showed more pronounced variations reflecting factors affecting the retail trade. In this trade also the low point in prices in both Mexican and United States currency occurred in 1939 and since that year the trend has continued steadily upward.

Table 13.--Beer: Unit value at factory, 1935-43

Year	In barrels		In bottles	
	Per liter	Per quart	Per liter	Per quart
	Pesos	U.S. cents	Pesos	U.S. cents
1935	.17	4.3	.40	10.6
1936	.23	6.2	.45	11.9
1937	.23	6.0	.40	10.4
1938	.23	4.8	.43	9.0
1939	.25	4.5	.40	7.4
1940	.27	4.7	.42	7.4
1941	.27	5.2	.44	8.5
1942	.28	5.4	.44	8.5
1943	.30	5.8	.46	9.0

Secretaria de la Economia Nacional, Direccion General de Estadistica, Anuario Estadistico de los Estados Unidos Mexicanos, 1939 and 1940.

Cuadro 13.—Cerveza de cebada: México, otros productores, varios años 1956-57

Año	Otros productores	Malta por cada 1,000 hectolitros	Malta por cada 1,000 hectolitros	Precio medio de malta por 100 kgs.	Valor de malta
	Miles	Miles	Miles	Miles de dólares	Miles de dólares
1954	40,[illegible]	[illegible]	22,106	1.01	242,[illegible]
1955	46,[illegible]	886	27,641	1.01	2[illegible],[illegible]
1957	47,[illegible]	783	22,[illegible]	1.24	27[illegible],[illegible]
1958	16,[illegible]	[illegible]	21,214	1.00	[illegible],182
1959	17,[illegible]	[illegible]	16,[illegible]	.86	1[illegible],[illegible]
1960	12,[illegible]	[illegible]	11,[illegible]	.77	1[illegible],[illegible]
1961	11,[illegible]	[illegible]	4[illegible],[illegible]	.84	[illegible],[illegible]
1962	11,[illegible]	[illegible]	37,[illegible]		

Anexo: de importaciones y fuentes. Tratados de Montevideo Anual, Informe Anual de la Dirección de Economía Rural.

Beer prices in Mexico

Well values of beer at Mexico factories have shown an upward trend during the period under review. In Mexican currency, the price per liter of beer in cerveza had already to higher during the years 1956-62. Variations of these values to United States equivalents show wide variations due to the depreciation of the Mexican peso in terms of United States currency, particularly for the years 1956 and 1962. Thus the low point of exchange value resulted in 1961 prices in United States currency [illegible].

Prices per liter in cantina in both Mexico and United States currency showed more pronounced variations reflecting factors affecting the retail trade. In this trade also the low point in prices in both Mexico and United States currency occurred in 1956 and since that year the trend has [illegible] steadily upward.

Cuadro 14.—Cerveza: Precio medio de productor, 1956-62

Año	En barril por litro	En barril por hectolitro	En botella por litro	En botella por hectolitro
	Pesos	U.S. cents	U.S. cents	U.S. cents
1956	.17	[illegible]	.[illegible]	10.0
1958	.[illegible]	[illegible]	.[illegible]	[illegible]
1957	.[illegible]	[illegible]	.[illegible]	10.4
1958	.[illegible]	[illegible]	.43	8.0
1959	.[illegible]	[illegible]	.40	7.4
1960	.17	[illegible]	.[illegible]	7.4
1961	.[illegible]	[illegible]	.44	8.5
1962	.[illegible]	[illegible]	.[illegible]	[illegible]
1963	.[illegible]	[illegible]	.[illegible]	5.0

Anexo: de la encuesta [illegible]. Anuario Oficial de estadística, Dirección Estadística de los Estados Unidos Mexicanos, 1958 and 1960.

Principal Raw Materials, Unit Value

Trends in unit values of the principal raw materials used in production of beer in Mexico have, for the most part, followed trends in prices of the finished products. In 1938, unit values of all principal commodities advanced probably influenced largely by the unstable exchange situation. Domestic rice prices in 1939 showed independent strength with prices sharply higher for both Mexican and United States currency, probably reflecting greater substitution of this locally grown and relatively cheaper product for the more expensive domestic and foreign barley malt. Prices in Mexican currency in 1941 were slightly lower ~~in Mexican currency~~ reflecting in part the depreciation in Mexican currency value. In 1942 prices in both Mexican and United States currency advanced. Data for 1943 are not yet available but the upward trend in the general price level and maintenance of a relatively high level of production suggest a continued upward trend in 1943 and for 1944 to date.

Table 14.--Principal Raw Materials: Unit values, at manufacturing establishments, 1935-42

Year	Value, metric quintals				
	Malt		Rice		Hops
	Domestic	Foreign	Domestic	Foreign	Foreign
	Pesos	Pesos	Pesos	Pesos	Pesos
1935	41	58	16	-	548
1936	37	56	16	-	408
1937	39	60	16	-	413
1938	40	66	20	23	420
1939	41	63	27	26	518
1940	41	65	26	25	671
1941	40	59	25	37	652
1942	45	69	29	-	649

Year	Value, 100 pounds				
	Malt		Rice		Hops
	Domestic	Foreign	Domestic	Foreign	Foreign
	US dol.	US dol.	US dol.	US dol.	US dol.
1935	5.16	7.26	1.99	-	69.11
1936	4.62	7.07	1.99	-	51.27
1937	4.91	7.51	2.02	-	52.06
1938	4.02	6.65	1.96	2.33	42.15
1939	3.55	5.48	2.35	2.32	45.34
1940	3.48	5.45	2.17	2.06	56.43
1941	3.71	5.51	2.36	3.42	60.71
1942	4.16	6.41	2.69	-	60.55

Secretaria de la Economia Nacional, Direccion General de Estadistica, Revista de Estadistica.

Principal Raw Materials, Unit Value

Trends in unit values of the principal raw materials used in manufacture of leather in Mexico Part, for the eight years, fluctuated greatly in spite of the financial crisis. In 1929, unit values of all principal materials showed relatively increased largely in the metallic materials group. Generally price values in 1930 showed independent strength with values nearly higher for both Mexican and United States currency, probably reflecting greater availability of this locally grown and relatively cheaper products for the more expensive domestic and foreign leather goods. Values in Mexican currency in 1931 were slightly lower, however, reflecting in part the devaluation in Mexican currency value. In 1932 prices in both Mexican and United States currency remained low. In 1933 are not yet available but the upward trend in the general price level and availability of a relatively high level of production indicate a corresponding upward trend in unit values in 1934 to date.

Table 14.--Principal Raw Materials: Unit values, of manufacturing establishments, 1929-32

Year	Value, metric quantity			
	Hide		Skin	
	Domestic	Foreign	Domestic	Foreign
	Pesos	Pesos	Pesos	Pesos
1929	41	52	10	-
1930	37	56	18	-
1931	39	60	14	-
1932	40	66	20	23
1933	41	63	27	22
1934	41	18	24	15
1935	40	32	24	17
1936	45	37	18	-

Year	Value, 100 pesos			
	Hide		Skin	
	Domestic	Foreign	Domestic	Foreign
	% dol.	% dol.	% dol.	% dol.
1929	4.10	7.24	1.44	-
1930	4.62	7.00	2.25	-
1931	4.81	7.21	1.67	-
1932	4.00	6.66	1.00	2.30
1933	5.00	4.45	3.30	2.39
1934	4.92	2.45	2.11	2.08
1935	4.71	3.25	2.58	2.42
1936	4.15	3.27	2.44	-

Secretaría de la Economía Nacional, Dirección General de Estadística, Tratado de Estadística.

Exchange Rates

Following the world financial crisis of the early 1930's, Mexican currency held relatively stable in relation to United States dollars at a ratio of 3.60 pesos to the United States dollar. Following the expropriation of foreign owned oil properties in 1938 and the large transfers of funds from Mexican to other currencies and particularly to United States dollars, the value of the Mexican currency in terms of the American dollars depreciated sharply and the decline continued through 1940. During the last three years, however, the relation has remained stable as the Bank of Mexico has maintained the value of the Mexican peso at 4.85-1/8 pesos to the American dollar or the value of the peso at approximately 20.5 United States cents.

Tariffs and Trade Regulations

One of the important trade regulations affecting the brewing industry is the local consumption tax. In 1933 the reduction of the consumption tax from 12-1/2 centavos to 4 centavos per liter (.775 United States cents per quart at current rate of exchange) served as a stimulus to the expansion of the industry. The local tax on domestic consumption now effective is 6.75 centavos per liter (.1314 United States cents per quart at current exchange value).

Imports of beer into Mexico are subject to an import duty of 4 centavos per gross kilogram (.373 United States cents per pound) on beer imported in wooden or metal containers and to a duty of 5 centavos per gross kilogram (.467 United States cents per pound) on beer imported in earthenware, chinaware, glass or other containers. In addition all imports by freights, (water, rail, etc.) are subject to a general surtax of 3 percent of the duty.

Exports of beer are exempt from ordinary export duties but are subject to an export tax of 12 percent of an official valuation of 3.6 centavos per gross kilogram (.336 United States cents per pound). The official valuation is subject to change monthly. It is not always changed every month but may be changed.

Conclusion

Although the world financial crisis of the early 1930's, Indian autonomy had relatively which to relapse to United States dollar at a ratio of 3.30 pesos to the United States dollar. Following the suspension of foreign - and oil production in 1938 and the large withdrawals of funds from banks by other companies and particularly by United States dollars, the value of the Indian currency fell below parity of the American dollar. During the war years, however, the relation was maintained stable as the Bank of Mexico has maintained the value of the Indian peso at 4.85-1/2 pesos to the American dollar or the value of the peso at approximately 20.6 United States cents.

Tariffs and Trade Regulations

One of the important trade regulations affecting the leather industry is the local consumption tax. In 1930 the reduction of the consumption tax from 12-1/2 centavos to 6 centavos per liter (.275 United States cents per quart at current rate of exchange) served as a stimulus to the expansion of the industry. The local tax on domestic consumption now effective is 6.75 centavos per liter (.154 United States cents per quart at current exchange value).

Imports of beer into Mexico are subject to an import duty of 6 centavos per gross kilogram (.275 United States cents per pound) on beer imported in wooden or metal containers and to a duty of 8 centavos per gross kilogram (.367 United States cents per pound) on beer imported in earthenware, stoneware, glass or other containers. In addition all imports by foreign (water, rail, etc.) are subject to a general system of 3 percent of the total.

Imports of beer are exempt from ordinary export duties but are subject to an export tax of 12 percent of an official valuation of 5.6 centavos per gross kilogram (.255 United States cents per pound). The official valuation is subject to change monthly. It is not always changed every month but may be changed.

Table 15.--Mexican currency: Exchange values

Year	Mexican pesos equal to United States dollar	United States dollar value of Mexican peso
	pesos	dollars
1935	3.60	.277779
1936	3.60	.277596
1937	3.60	.277502
1938	4.52	.221217
1939	5.18	.193030
1940	5.40	.185459
1941	4.86	.205383
1942	4.85	.205693
1943	4.85	.205770

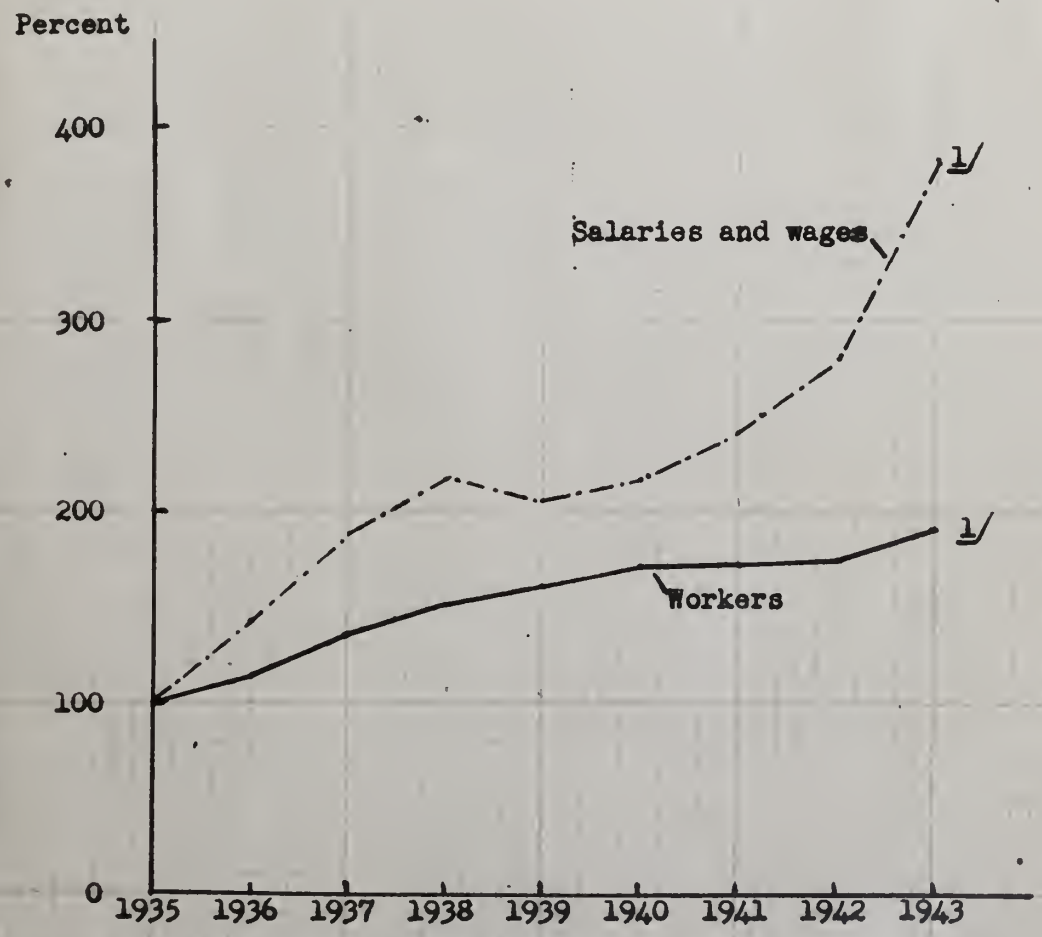
Pesos values from U. S. Bureau of Foreign and Domestic Commerce. Dollar values of pesos, U. S. Federal Reserve Board, free rates of exchange.

Table 16.--Mexican currency: Exchange values

Year	Maximum price equal to United States dollar	Deflated index of Mexican dollar
	Pesos	Dollars
1920	6.00	.07775
1921	5.00	.07589
1922	5.00	.07780
1923	4.85	.06757
1924	5.12	.06500
1925	5.00	.06160
1926	4.97	.06224
1927	4.88	.06000
1928	4.85	.05970

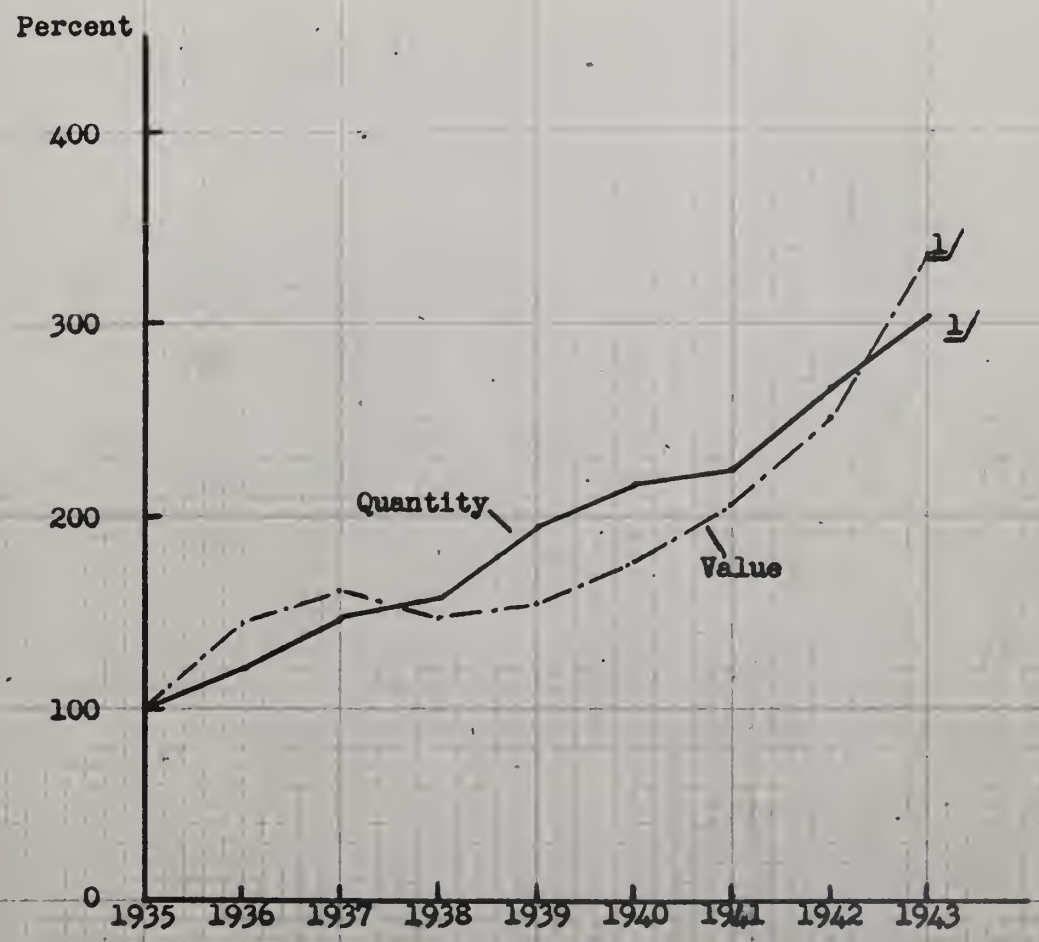
These values from U. S. Bureau of Foreign and Domestic Commerce. Index values of pesos, U. S. Federal Reserve Board, index numbers of wholesale.

MEXICO BREWING INDUSTRY: WORKERS, SALARIES, AND WAGES PAID,
(1935 - 43)
Index numbers (1935 = 100)

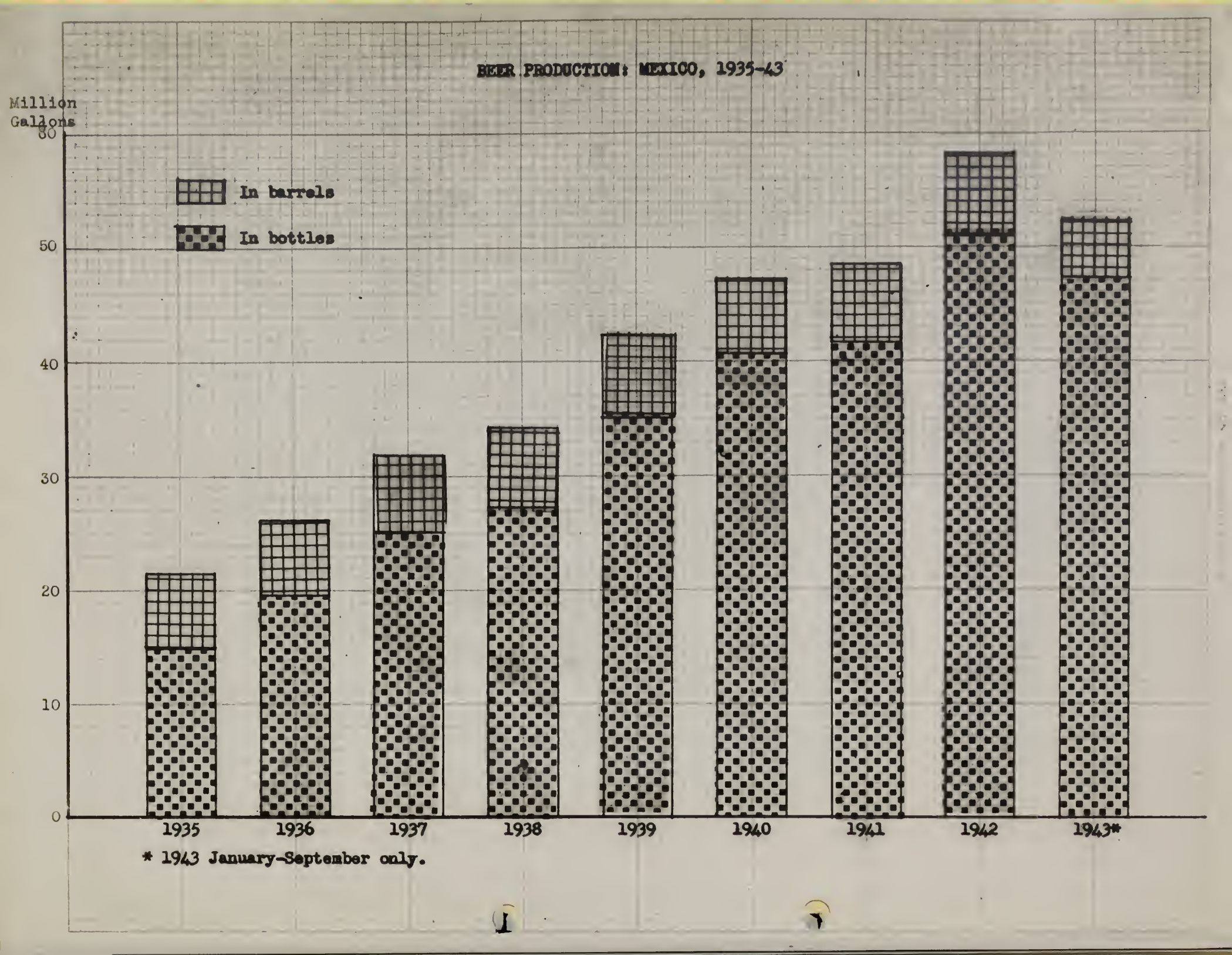


1/ December, 1943 estimated.

BEER PRODUCTION: MEXICO, VOLUME AND VALUE,
1935 - 1943
Index numbers (1935 = 100)



1/ December, 1943 estimated.


BEER PRODUCTION: MEXICO, 1935-43
Million Gallons
60
50
40
30
20
10
0
In barrels
In bottles
1935
1936
1937
1938
1939
1940
1941
1942
1943*
* 1943 January-September only.

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